GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:362
ANSWERED ON:16.12.2002
ISSUANCE OF FREE AIR TICKETS
AMAR ROY PRADHAN

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the category of persons to whom the free tickets have been issued by Indian Airlines and Air India during the last three years and thereafter;

(b) the total amount involved in issuing such tickets by Indian Airlines and Air India separately during the said period, year-wise;

(c) whether this has been the main reason of losses being suffered by the Indian Airlines and Air India;

(d) if so, the extent thereof and the reasons for issuing such tickets; and

(e) if not, the other reasons for loss being suffered by Indian Airlines and Air India?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a), (b), (c), (d) and (e) : A statment is laid on the Table of the House.

STATEMENT IN REPLY TO PART (A),(B) (C) (D)& (E) OF LOK SABHA STARRED QUESTION NO.362 FOR 16.12.2002 REGARDING ISSUANCE OF FREE AIR TICKETS.
(a) : As per industry practice, Air India and Indian Airlines have been issuing free tickets to the following categories of persons in their commercial interest to get wide publicity:

(i) Artists, Dance troops and other performers for various cultural events,

(ii) Academics and intellectuals invited to participate as delegates in conferences,

(iii) Office bearers or members of the managing committees of Business/Industry Associations participating in Trade Fairs,

(iv) Media personnel, tour promoters, travel writers etc. travelling for promotion of the airlines and India as a tourist destination,
In addition, needy patients of poor economic background suffering from serious diseases like cancer, who have been recommended treatment in specialised medical institutions abroad, are also given free tickets on compassionate grounds.

However, effective October 2001 Air India and Indian Airlines have stopped issuing such free tickets except for normal sales promotion and publicity.

(b): The revenue loss on account of on such complimentary tickets is notional. Such free ticket passengers are generally accommodated only after accommodating the revenue paying passengers.

(c) (d) & (e) : In view of the above, there is no such actual loss and the airlines also get wide publicity and visibility in return. Air India has earned a net profit of Rs.15.46 crores during 2001-02. In the first half of the current year also, Air India has earned a net profit of about Rs. 46 crores. As regards Indian Airlines, the main reasons for losses are as follows:

(i) High cost of ATF due to increase in prices and high sales tax.

(ii) Significant reduction in traffic due to 11 September terrorist attacks in US and events following it.

(iii) Increase in Landing and Navigational charges.

(iv) Increase in Insurance premium.

(v) Increase in expenditure related to security arrangements like sky marshal and ladder-point frisking.

(vi) Flying on uneconomic routes in Northeast and elsewhere in view of socio-economic requirements of the country.

(vii) Various concessions to senior citizens, physically challenged, students, etc.